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OFGS File No. : P/2832-14
Inventor : Reza JALILI
Title : SYSTEM AND METHOD FOR PURCHASING GOODS AND SERVICES

Enclosed herewith please find the following documents in the above-identified application for United States Letters Patent:

24 Pages of Specification including Abstract and Claims
37 Numbered Claims Calculated as 37 Claims for Fee Purposes
3 Sheets of Drawing Containing Figures 1 to 3. (Informal)
X Declaration and Power of Attorney
Priority is Claimed under 35 U.S.C. §119:
Convention Date _____ for _____ Appln. S.N. _____
 Certified Priority Application
X Verified Statement Claiming Small Entity Status under 37 C.F.R. §1.27.
 Assignment
X Return-Addressed Post Card
OFGS Check No. 95320, including the fee of \$576.00, calculated as follows:
Basic Filing Fee: \$ 690.00
Additional Filing Fees:
 Total Number of Claims in Excess of 20, times \$18: 306.00
 Number of Independent Claims in Excess of 3, times \$78: 156.00
 One or More Multiple Dependent Claims: Total \$260. 0
Total Filing Fees or 1152.00
Total Filing Fee Reduced 50% for Small Entity: 576.00
Assignment Recording Fee: \$40 0
TOTAL Filing Fee and Assignment Recording Fee: \$ 576.00

In the event the actual fee is greater than the payment submitted or is inadvertently not enclosed, or if any additional fee during the prosecution of this case is not paid, the Patent and Trademark Office is authorized to charge the underpayment to Deposit Account No. 15-0700.

EXPRESS MAIL CERTIFICATE

I hereby certify that this correspondence is being deposited with the United States Postal Service as Express Mail Post Office to Addressee (mail label #EL334614522US) in an envelope addressed to: Asst. Commissioner for Patents, Washington, D.C. 20231, on June 29, 2000

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Serial or Patent No.: _____ OFGS File No. P/2832-14
Filing or Issue Date: _____
Applicant or Patentee: Reza JALILI
For: SYSTEM AND METHOD FOR PURCHASING GOODS AND SERVICES

VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY STATUS
37 CFR 1.9(f) and 1.27(b) - INDEPENDENT INVENTOR

As a below named inventor, I hereby declare that I qualify as an independent inventor as defined in 37 CFR 1.9(c) for purposes of paying reduced fees under 35 USC §41(a) and (b) to the U.S. Patent and Trademark Office with regard to the invention entitled SYSTEM AND METHOD FOR PURCHASING GOODS AND SERVICES described in _____

U.S. Patent Application filed herewith

U.S. Patent Application Serial No. _____ filed _____

U.S. Patent No. _____ issued _____

I have not assigned, granted, conveyed or licensed and am under no obligation under contract or law to assign, grant, convey or license, any rights in the invention to any person who could not be classified as an independent inventor under 37 CFR 1.9(c) if that person had made the invention, or to any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e).

Each person, concern or organization to which I have assigned, granted, conveyed or licensed or am under an obligation under contract or law to assign, grant, convey or license any rights in the invention is listed below:

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NOTE: Separate verified statements are required from each named person, concern or organization having rights to the invention averring to their status as small entities.

37 CFR 1.27

FULL NAME: _____

ADDRESS: _____

INDIVIDUAL SMALL BUSINESS CONCERN NONPROFIT ORGANIZATION

NAME: _____

ADDRESS: _____

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I acknowledge the duty to file in this patent application or patent, notification of any change of status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. 37 CFR 1.29(b).

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 USC §1001, and that such willful false statements may jeopardize the validity of the patent application, any patent issuing thereon, or any patent to which this verified statement is directed.

Reza JALILI

Name of Inventor



Signature of Inventor

June 28, 2000

Date

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SYSTEM AND METHOD FOR PURCHASING GOODS AND SERVICES

This is a continuation-in-part of Serial No. 08/700,861 file August 21, 1996, allowed, the disclosures of which are incorporated by reference herein.

BACKGROUND OF THE INVENTION

5 Field of the Invention

The present invention relates to systems and methods for conducting financial transactions, and in particular, utilizing the Internet, including the World-Wide Web, and the public telephone system.

10 Background Art

10 The telephone system in place in this country offers a service which identifies to a called party the telephone number of the calling party. This service is robust, secure, and to the best of Applicant's knowledge, always correct. This service has been used by computerized information systems for many years in the field of customer care and customer assistance to provide, for example, a 15 customer care representative with records associated with the calling party. Such systems have reduced the need for a called party to make extensive inquiries from the calling party. Other systems presently in use allow a caller to automatically activate a new credit-card by calling from the caller's home telephone and by inputting with the telephone's touch-tone keypad the caller's 20 social security number or other identification presumably known only by the caller and the called party.

Many systems are presently in place to provide telephonic shopping for goods and services as an alternative to physical presence in a store. For example, customers often use a paper catalog for selection of goods and use a telephone for

1 placing orders and for paying for orders. While this method of shopping can be
2 convenient, it involves printing and distribution costs associated with the paper
3 catalogs as well as costs associated with a call-handling center. For the shopper,
4 each purchase requires a separate transaction with the particular merchant
5 involved. A shopper cannot browse several catalogs, cannot choose a number of
6 items for purchase and make a single call to central number to complete the
7 entire purchase transaction. For each separate purchase, there is a requirement
8 for providing shipping and billing information. Additionally, a paper catalog is
9 more limited than an Internet-based catalog in the amount of information it can
10 present to a customer.

11 Increasingly, merchants are selling goods and services on the World-
12 Wide Web (WWW). However, although the Web is ideal for browsing, online
13 transactions are not secure over a public network. Even with the available
14 encryption systems, customers are wary of transmitting their credit card numbers,
15 since the credit card information will be passed from node to node and therefore
16 will be subject to interception at multiple points. There is a need for transactions
17 to be made more safely and conveniently while maintaining the convenience of
18 browsing the WWW.

19 To the best of Applicant's knowledge, in all present methods of
20 purchasing goods and services using the Internet, one of the following is true: the
21 customer is required to transmit sensitive financial information over a non-secure
22 medium; the customer is required to memorize a password or other secret code;
23 the customer is required to note the merchant's telephone number to call; the
24 customer is required to provide shipping and billing information; the customer is
25 required to complete each purchase transaction with each merchant separately
and independently of the customer's transactions with other merchants. Any one
of the requirements is alone limiting. Furthermore, the repetitive burden of
providing billing and shipping information to more than one merchant is a source

of errors, frustration, and lost sales.

In summary, paper catalog sales are generally regarded as being safe, but suffer from the lack of features which are provided by the Internet, namely browsing of extensive information, instant access to cross-referenced items, 5 increased number of items available for selection, reduced cost of catalog distribution, and other conveniences.

A basic electronic commerce system 100 using the Internet is shown in Figure 1. A user's computer, 11, is connected using a network connection to the Internet, 12, to a merchant's web server, 40, connected to the Internet by a network connection, 42. The user's computer displays the merchant's web page 10 20, on its display, 10. The user selects items for purchase by clicking on appropriate links and buttons on the merchant's web page. As items are selected by the user, the web server adds the selected items to a database, 43, connected to the web server, 40, by a private network link, 45. This system, 100, is in use by a 15 number of online stores. To purchase the selected items, the user enters personal information such as shipping address and name in an input area 23 of the web page, and financial information such as a credit-card number, in an area 21, for use by the merchant's web server, 40. When user clicks on a button, 22, to indicate the desire to purchase the selected items, the financial information, 21, is 20 transmitted to the web server, 40, using the Internet connection, 12, and the Internet connection, 42. The web server, 40, associates the financial information, 21, with the selected items in the database, 43, creates a sales record, connects to a merchant financial transaction center, 60, using a link, 65, which uses either the 25 Internet or a private network, for authorization of the transaction, and, upon approval, confirms the sales record in the database, 43.

At this point, the selected items have been purchased and can be delivered to the user. The selection sub-system, 100, together with the financial transaction

center, 60, comprise an electronic commerce system.

U.S. Patent No. 5,677,955, hereinafter "Doggett '955", discloses a system for Internet transactions. Doggett '955 discloses the use of cryptography to increase the security of messages transmitted over the Internet between a buyer 5 and merchant of goods and between a merchant and a buyer's financial institution.

Rose et al.'s U.S. Patent 5,757,917, hereinafter "Rose '917", teaches an improvement on previous purchasing systems by suggesting the use of E-mail as means for confirming the customer's intent to purchase goods and services and 10 also as means for verifying the identity of the customer. Rose '917 relies on E-mail, which is generally not considered a secure means of communication.

First Virtual Holdings, Inc., hereinafter, "FVH", is the assignee of Rose '917. FVH operated a members-only payment system wherein a "VirtualPIN" was assigned to its members. Merchants affiliated with the transaction center 15 accepted a member customer's "VirtualPIN" in lieu of a credit-card number and contacted FVH to translate the customer's alias into a credit-card number and payment authorization.

The Internet is an ever-increasingly popular tool for consumers to get 20 information on goods and services, to make comparisons between different products from different companies, and to browse catalogs and on-line stores. Electronic commerce is hindered by the lack of security inherent in the Internet's design and infrastructure.

The Internet has disadvantages. It is considered by knowledgeable 25 persons not to be adequately secure. Use of the Internet typically requires a PC and appropriate software. While most PC users have the basic requirements for accessing Internet stores, electronic commerce solutions on the market today require users to install additional software, such as an electronic wallet or electronic transaction assistant.

Users of the Internet typically establish a connection to the Internet using a PC and use a web browsing software called a "browser." A session on the Internet is the period from when a connection to the Internet is established to when that connection is terminated.

5 Cryptographic techniques have been the predominant solution offered to solve the security problem of transactions conducted using the Internet.

SUMMARY OF THE INVENTION

Accordingly, one object of the present invention is to improve the security of transactions which use the Internet.

10 Another object of the invention is to simplify selection of goods and services from a plurality of merchants by using the Internet.

Another object of the invention is to reduce the need for modification of the purchaser's PC through the addition of hardware or software beyond a connection to the Internet and a web-browser.

15 Another object of the present invention is to simplify the process of purchasing goods and services by using the Internet.

Another object of the present invention is to reduce the need for cryptography in such transactions.

20 One aspect of the invention provides a method and system for allowing a customer to select an item for purchase without actually purchasing that item until the customer makes a telephone call from the customer's registered telephone number, typically a home or office number, and explicitly makes a choice to approve purchase of the selected item. The present invention allows a customer to make a plurality of selections from a plurality of merchants and still 25 conclude the plurality of purchases with a single telephone call.

According to another aspect, the invention is directed to a method and system for carrying out a commercial transaction using a public network, such as

the Internet, in combination with a secure dial-up network, such as the public telephone system. Each network offers certain advantages and disadvantages. The present invention teaches a process which integrates the advantages of the two networks and results in non-obvious and unexpected results. The present 5 invention relies on the recognition that certain elements of a transaction are not sensitive and may be communicated over the Internet, while other elements are sensitive and need to be communicated in a secret and secure manner. The non-sensitive elements are communicated using the Internet, which is an inherently less expensive medium to use. The sensitive information is communicated using 10 a standard telephone, which provides a one-to-one private connection. The telephone company's subscriber identification service can be used to identify with sufficient certainty the telephone number of the calling party. The subscriber identification service is well-known in this country as CallerID and is hereinafter referred to as "CallerID".

15 A further aspect of the invention relates to a data processing and communications system as shown and described herein.

Technology for integration of telephone systems with automated voice-response systems is well-known and familiar to both implementers of such systems and the users of such systems.

20 A first advantage of the invention is that a third party, namely a transaction center, is utilized for the financial processing of the transaction, whereby all need for the merchant to have the customer's credit card information may be eliminated.

According to a second advantage of the invention, if it is desired for the 25 merchant to receive the credit card information, that information can be transmitted directly to the merchant from a central office, over a single link, which is more secure than the information being transferred between multiple nodes over the Internet.

Another advantage of the present invention is that it simplifies the process of purchasing goods and services by using the Internet.

Another advantage of the present invention is that it reduces the dependency on cryptographic technology for the transmission of financial information related to the transaction.

Another advantage of the present invention is that it provides protection against computer viruses, sometimes referred to as "Trojan Horses" running on the purchaser's computer, which are typically used to steal passwords, credit card numbers, and other sensitive information.

Another advantage of the invention is that it reduces the need for modification of the purchaser's PC through the addition of hardware or software beyond a connection to the Internet and a web-browser.

Another advantage of the present invention is that a plurality of transactions can be completed with a single telephone call.

Another advantage of the present invention is that a plurality of items from a plurality of merchants can be selected for a future purchase decision within a single session on the Internet.

Another advantage of the present invention is that a plurality of items from a plurality of merchants can be selected separately from the transaction in which those items are purchased.

Another advantage of the present invention is that the customer needs to remember only a single well-known telephone number. This number is typically the customer's home or office telephone number.

Other objects, features and advantages of the present invention will become apparent from the following description of several embodiments of the invention which refers to the accompanying drawings.

BRIEF DESCRIPTION OF THE DRAWINGS

For a fuller understanding of the invention, reference is had to the following description taken in connection with the accompanying drawings, in which:

5 Figure 1 is a system architecture block diagram of an exemplary prior art electronic shopping system.

Figure 2 is a system architecture block diagram of an exemplary system embodying the present invention.

10 Figure 3 is a schematic diagram illustrating the steps in a method according to several embodiments of the invention.

DETAILED DESCRIPTION OF EMBODIMENTS OF THE INVENTION

Reference is first made to Fig. 2 which depicts a secure transaction system in which, a transaction center, 60, has a quasi-public network link, 63, a secure link, 66, to a merchant, 48. The quasi-public network is, for example, the Internet. The merchant, 48, has a secure internal link, 44, to its data storage and computer systems, 43, which are linked also to its web server, 40, through a secure link, 45. The transaction center 60 has equipment for sending and receiving voice and data on a link, 75, connected to a telephone device with CallerID capabilities, 70, and equipment for communicating caller identification information to the transaction center, 60. The telephone device, 70 is linked to a central office, 200, by a link, 80. The central office, 200, is connected to a subscriber, 300, by a link, 81.

20 In one embodiment of the present invention, the transaction center receives from the merchant's web-server, 40, a purchase set, 68, of goods and services selected by a customer for purchase from the merchant and stores it in a database 67. The purchase set lists the goods and services selected by the customer on the web-site, and also includes the customer's telephone number as entered on the merchant's web-site for identification purposes by the customer.

The transaction center saves received purchase sets for a period of time specified by the merchant or for a period of time specified by the customer associated with the telephone number associated with the purchase set, whichever lifetime period is shorter. The transaction center can also associate 5 certain rules such as discounts or additional advantages for the customer to be applied under specified conditions, such as the completion of the purchase by the customer within the lifetime period of the purchase set.

The transaction center has the telephone device, 70, for answering an incoming telephone call and for identifying the caller's telephone number prior to 10 answering the telephone. This capability is a feature of the CallerID service offered by telephone companies in this country. The transaction center is equipped, via the link 75, for communicating with voice and data using the telephony device, 70. The transaction center 60 is also equipped for looking up purchase sets associated with the caller's telephone number. If the caller is 15 identified as a registered customer, any purchase sets can be read to the customer over the telephone using a text-to-speech system or displayed to the caller on a display if the caller is using a modem connection and a display device. If the caller is not identified as a customer, then the system can respond appropriately, for example, by informing the caller of the fact and offering to allow the caller to 20 become a registered customer.

The web-server, 40, receives input from a customer indicating the goods and services to be placed in a purchase set and receives a telephone number, 500, from the customer as an identifier to be associated with the customer's purchase set. The web-server, 40, communicates the purchase set and the associated 25 telephone number, 500, to the transaction center using link, 42. Note that no other piece of information is required from the customer and that the required information need not be communicated securely for customers with listed telephone numbers nor for customers with unlisted telephone numbers who

nevertheless do not object to having their telephone number communicated on Internet links, 42 and 12. Further note that the purchase set is also not sensitive information and can be communicated to the transaction center using the Internet link, 42. The purchase set and the telephone number are not sensitive because 5 they cannot be used for theft or profit to the disadvantage or harm of the customer or merchant or transaction center.

If the caller is verified and allowed to approve purchase items, then the customer is prompted to create a purchase instruction set, 69, by giving a purchase instruction for each purchase item. A purchase instruction will specify 10 payment authorization for an item, thereby moving that item into a paid set, 62, reject payment for an item, thereby removing the item from the purchase list, or defer a decision on an item, thereby keeping the item on the purchase list.

As noted earlier, if the lifetime of a purchase list expires, then the purchase list is removed. Three embodiments of the invention are disclosed 15 herein. The disclosed embodiments have in common an initial registration step, in which a customer registers one or more credit-cards with a central office, which will be referred to herein as the transaction center. The registration can be made over the telephone, 70, or by a written application, and therefore is secure. The primary feature of the registered information is a registered telephone 20 number. The registered information may include a preferred shipping address such as the customer's home. In the registration process, the transaction center can verify the source of the registered telephone number by the use of the telephone system's CallerID function.

An alternate telephone number can be accepted if the customer is not 25 calling from the number that is desired to be registered. In that case, or if desired for any other reason, a human operator at the transaction center can call back the registrant and/or request additional identification information before accepting the registration information.

5 The registration information may include a name to be used for identification (not necessarily the name on the credit cards), credit card information, telephone number, shipping address, optional PIN, preferred approval method, self-imposed credit limit, e-mail address, alternate name used by the customer, statement mailing address, or credit-card preference list.

Reference is next made to Fig. 3 which shows schematically the steps involved in a transaction according to a first embodiment of the invention. For clarity, additional references are made to Fig 2.

10 When shopping, the customer browses for goods and services using a public network (the Internet or World-Wide Web).

15 In step 1, the customer 1000 selects the goods or services to be purchased and identifies himself by registered name and telephone number. The customer optionally may give additional information such as an alternate shipping address, a method of credit approval, or a purchase set expiration time different from that supplied by the merchant or by the transaction center.

20 In step 2, the merchant, 400, then delivers a purchase number together with a merchant number to the transaction center 600 by E-mail, phone, or another means, for example on a purchase set addressed to the transaction center. The invoice may have a stated lifetime which may be supplied by the merchant or by the customer's information registered with the transaction center. The purchase set may include the buyer's registered name (not necessarily his real name), the merchant's name and identification number, a list of items being purchased together with the price of each, a total price, an expiration time, or optional attachments for the merchant's use. The purchase set is delivered to the 25 transaction center, 600, along with the telephone number, 500, supplied by the customer to the merchant.

 In step 3, to complete the sale, the customer accesses the transaction center using a phone or a modem. The customer is identified by the telephone

company's CallerID function optionally plus a personal identification number (PIN) and/or other registered information for extra security. If the customer's telephone number on file with the transaction center does not match the telephone number detected by CallerID, an operator will ask the customer for
5 further identifying information.

Upon recognizing the customer, the transaction center lists all outstanding purchase sets and gives the customer the opportunity to make a selection and thereby express intent to complete the sale. This step may be realized using an automated voice-response system which reacts to touch-tone
10 telephone tones or one that reacts to human speech. The use of automated voice-response systems in customer help and, for example, airline ticketing applications, is well-known. The transaction center logs the customer's
15 selections. When the mode of interaction is voice, a transaction representative will handle the transaction through human conversation. When the mode of interaction is through a voice response unit, the buyer will use the telephone keypad to respond to the choices presented by the system. The choices will allow the buyer to select the purchase set(s) to be paid or canceled, and the credit card(s) to be used. When the mode of interaction is through a programmed
20 computer using a modem, the decisions are entered using the keyboard and/or mouse.

In step 4, the transaction center sends an E-mail message to the customer to confirm the invoices and payments that the customer has approved.

Then, in step 5, the transaction center debits the customer's pre-registered credit-card and credits the merchant over a standard private credit-card
25 transaction system. The transaction center also sends an acknowledgment of the acceptance of the sale and of the credit to the merchant by phone, E-mail, or another means. The acknowledgment sent to the merchant includes the buyer's shipping address and possibly other delivery information as specified by the

customer during the registration process or during the process of approving purchase set items.

5 A second embodiment differs from the first embodiment in that in step 3, the transaction center can itself initiate confirmation of the sale by sending an E-mail message or placing a telephone call to the customer upon receipt of the sale information or invoice from the merchant. An advantage of this embodiment is that it more securely confirms the identity of the customer and the fact that the sale is authorized. It also reminds the customer that the sale is pending and encourages the customer to complete the sale.

10 The customer can be given control over whether it is the customer or the transaction center who makes the telephone or modem contact in step 3 to complete the sale. The party who will make the contact can be specified either on the transaction application, for all sales, or on the merchant's form for a given sale.

15 In step 5, in a third embodiment of the invention, the transaction center can deliver the customer's credit card information securely to the merchant upon receipt of the customer's approval of the sale. As an additional security precaution, the transaction center can confirm to the customer by E-mail or another channel that the customer's information has been sent to the merchant. 20 An advantage of this embodiment is that the transaction center is not required to have access to the conventional banking channels.

25 The transaction center can communicate the purchaser's financial information to the merchant using a modem and a telephone connection, or using digital certificates and an Internet connection. The transaction center can communicate the purchaser's financial information to the merchant's bank or conduct a banking transaction on behalf of the purchaser by using a modem and a telephone connection, or by using digital certificates and an Internet connection. The transaction center can communicate the purchaser's financial information

certificate to the purchaser's bank or purchaser's credit-card account, again, by phone or by digital certificates.

Other well-known communication links can be used. Other well-known encryption methods can be used.

5 It will thus be seen that the objects set forth above, among those made apparent from the preceding description, are efficiently attained and, since certain changes may be made in carrying out the above methods and in the systems set forth without departing from the spirit and scope of the invention, it is intended that all matter contained in the above description and shown in the 10 accompanying drawings shall be interpreted as illustrative and not in a limiting sense. Although the present invention has been described in relation to particular embodiments thereof, many other variations, equivalents, modifications and other uses will become apparent to those skilled in the art. Therefore, the present invention is not limited by the specific disclosure herein.

WHAT IS CLAIMED IS:

1. A method in a transaction center of enabling a purchaser and a merchant to complete a purchase utilizing a first electronic network and a second electronic network; comprising the steps of:
 - (a) registering over the second electronic network a customer's financial information in the transaction center;
 - (b) in response to the purchaser ordering over the first electronic network a good or service that the customer desires to purchase from a merchant, and the purchaser supplying identifying information to the merchant pertaining to the customer, the transaction center receiving from the merchant information pertaining to the purchase;
 - (c) establishing, over the second electronic network, a contact with the customer in which the customer is identified to the transaction center and the customer is enabled to express intent to complete the purchase; and
 - (d) electronically debiting an account of the customer and crediting an account of the merchant in order to complete the purchase.
2. A method as in claim 1, further comprising the step in the transaction center of verifying the source of the customer's financial information.
3. A method as in claim 2, wherein the second network is the public telephone system, said identifying information of step (b) includes a telephone number, and the verifying step is carried out using a CallerID system.
4. A method as in claim 3, wherein the financial information registered in the processing center includes an alternate telephone number and the verifying step is carried out by telephoning the alternate telephone number.

5. A method as in claim 3, wherein said information supplied in step (b) includes an invoice, and said identifying information pertaining to the customer in step (b) includes a predetermined invoice lifetime selected by the customer.

6. A method as in claim 5, wherein said information supplied in step (b) includes an invoice, and said information pertaining to the purchase in step (b) includes a predetermined invoice lifetime selected by the merchant.

7. A method as in claim 3, wherein said information supplied in step (b) includes an invoice, and said information pertaining to the purchase in step (b) includes a predetermined invoice lifetime selected by the merchant.

8. A method as in claim 3, wherein said step (c) is carried out over the second network and the customer is identified to the processing center using the CallerID system.

9. A method as in claim 3, further comprising the step of confirming to the customer and to the merchant over the first network that the purchase has been completed.

10. A method as in claim 3, wherein said step (c) further comprises the step of the transaction center communicating a plurality of orders that the customer has made and permitting the customer to select from among those orders.

11. A method as in claim 3, wherein said step (d) includes the steps of the transaction center supplying the customer's financial information over the second electronic network, and the merchant completing the purchase by

electronically debiting an account of the customer and crediting an account of the merchant.

12. A method as in claim 3, further comprising the step of the transaction center confirming to the customer using said first electronic network that the financial information has been supplied to the merchant.

13. A method as in claim 3, wherein said step (d) includes the step of the transaction center completing the purchase by electronically debiting an account of the customer and crediting an account of the merchant.

14. A method as in claim 3, wherein said step (c) is initiated by the customer.

15. A method as in claim 3, wherein said step (c) is initiated by the transaction center.

16. A method of operation of a transaction center for carrying out an electronic financial transaction utilizing a first electronic network and a second electronic network, comprising the steps of:

5 receiving a customer's financial information in said transaction center using the second electronic network;

verifying the source of the customer's financial information;

receiving information in said transaction center pertaining to a good or service selected over the first electronic network that the customer desires to purchase from a merchant; and

10 establishing contact between the customer and the transaction center in which the customer is identified to the transaction center by a telephone number

and the customer is enabled to express intent to complete the purchase.

17. A method as in claim 16, wherein the second network is the public telephone system and the identifying step is carried out using a CallerID system.

18. A method as in claim 17, wherein the financial information registered in the processing center includes an alternate telephone number and the verifying step is carried out by telephoning the alternate telephone number.

19. A method as in claim 17, wherein contact is established over the second network and the customer is identified to the processing center using the CallerID system.

20. A method as in claim 17, wherein said step of establishing contact further comprises the step of the processing center communicating a plurality of orders that the customer has made and permitting the customer to select from among those orders electronically.

5 21. A method for purchasing a good or service with the use of a quasi-public network, the telephone network, and a transaction center with a computer system and links to the telephone network and said quasi-public network, comprising the steps of:

10 (a) selecting, from each merchant in a merchant set of at least one merchant, a purchase set of at least one item;

 (b) providing over a quasi-public network and storing in said transaction center from each merchant in said merchant set a purchase set together with customer reference information for a customer;

 (c) storing in said transaction center a set of registered customers and an

15 associated set of registered personal information for each registered customer;
 (d) creating a payment instruction set for a paid set from said purchase set
 in said transaction center using said telephone network and a telephone with a
 telephone number identifiable by said telephone network;
 (e) communicating over said quasi-public network a report of said
20 payment instruction set and said paid set from said transaction center to said
 customer; and
 (f) communicating payment information and delivery information from
 said transaction center to said merchant set;
 whereby the customer can shop conveniently and securely, can select
25 goods or services from a plurality of merchants by providing only a telephone
 number, can avoid communicating sensitive financial information using the
 quasi-public network, and at a later time, can selectively choose goods and
 services for payment, can selectively choose means for payment, and can
 selectively choose means for delivery of goods and services.

5 22. The method of claim 21, wherein said step of creating payment
 instructions includes verifying the identity of the customer by:
 (A) identifying said telephone number of the customer using the CallerID
 system of said telephone network;
 (B) identifying the customer using the identified telephone number;
 (C) presenting the customer with the stored purchase set in the transaction
 center, and
 (D) enabling the customer to create a paid set from the purchase set and
 to selectively provide payment instructions for each item from the purchase set
10 by at least one of the following:
 (D1) allowing the customer to approve payment for a purchase
 item;

15

(D2) allowing the customer to reject payment for a purchase item;
and
(D3) allowing the customer to defer providing payment
instructions for a purchase item.

23. The method of claim 22, wherein said registered personal
information includes a preferred delivery address, a preferred lifetime for the
purchase set, and a preferred account set to be charged to cover the costs of items
for which a payment instruction approves payment by the customer.

24. The method of claim 21, wherein said payment information of step
(f) includes information enabling the merchant to receive payment for the paid
set of step (d).

25. The method of claim 23, wherein said payment instruction includes
distribution of charges to a plurality of accounts.

26. The method of claim 25, wherein said plurality of accounts includes
at least one credit-card account.

27. The method of claim 21, wherein said payment information of step
(f) includes verifiable confirmation of payment to the merchant.

28. The method of claim 21, wherein the quasi-public network is the
Internet, whereby a customer is required only to provide a telephone number over
the Internet.

29. The method of claim 21, wherein said step of selecting, from each

merchant in a merchant set of at least one merchant, a purchase set of at least one item is carried out at least in part over a quasi-public network.

30. The method of claim 29, wherein said quasi-public network is the Internet.

31. The method of claim 29, wherein said means for selection is a web browser.

32. The method of claim 22, further comprising, after identifying the customer in step (B), the step of verifying the authenticity of the customer using the registered personal information associated with each registered customer.

33. A method of operating an electronic transaction center coupled to a quasi-public network and coupled to the telephone network comprising the steps of:

- 5 creating a registered customer record using registered personal information supplied by a customer;
- receiving from a merchant over said quasi-public network a purchase set that a customer desires for future purchase;
- receiving a telephone call from said customer;
- verifying the identity of the caller using the CallerID system of the telephone network;
- 10 authenticating the telephone caller as a registered customer of said transaction center;
- retrieving personal information associated with said registered customer;
- retrieving at least one said purchase set associated with the identified telephone number;

presenting at least one said purchase set to said registered customer;
enabling said registered customer to approve at least one purchase item
from a presented purchase set;

20 electronically communicating a subset of the registered personal
information associated with said registered customer to a third party;

electronically communicating information about a completed transaction
to said registered customer;

25 whereby a registered customer of the transaction center can shop with
convenience and security from multiple merchants and make a single telephone
call to complete all purchases and receive a record of the authorized purchases.

34. A method of operating a merchant's computer system coupled to a
quasi-public network and coupled to the telephone network comprising the steps
of:

receiving a customer's selection of a purchase set;
sending to a transaction center over said quasi-public network a purchase
set that the customer desires for future purchase;
receiving payment and delivery information for said customer from said
transaction center;
whereby a registered customer of said transaction center can shop with
convenience and security from said merchant and make a single telephone call to
complete all purchases and receive a record of the authorized purchases.

35. The method of claim 34, wherein the quasi-public network is the
Internet.

36. The method of claim 34, wherein the means for selection of a
purchase set is a web server.

37. The method of claim 21, wherein

- step (a) is initiated by the customer,
- step (b) is initiated by the merchant,
- step (c) is initiated by the customer,
- 5 step (d) is initiated by the transaction center,
- step (e) is initiated by the transaction center.

SYSTEM FOR PURCHASING GOODS AND SERVICES

ABSTRACT OF THE DISCLOSURE

A method of completing a purchase utilizing a first electronic network and a second electronic network, the method being applicable for example to a case in which the second network (which may be the public telephone system) is considered by knowledgeable people to be more secure than the first network (which may be the Internet). The method comprises the steps of (a) registering over the second network a customer's financial information in a central processing center; (b) ordering over the first network a good or service that the customer desires to purchase from a merchant; (c) supplying identifying information to the merchant pertaining to the customer; (d) supplying information from the merchant to the processing center pertaining to the purchase; (e) establishing a contact between the customer and the processing center in which the customer is identified to the processing center and the customer expresses intent to complete the purchase; and (f) debiting an account of the customer and crediting an account of the merchant in order to complete the purchase.

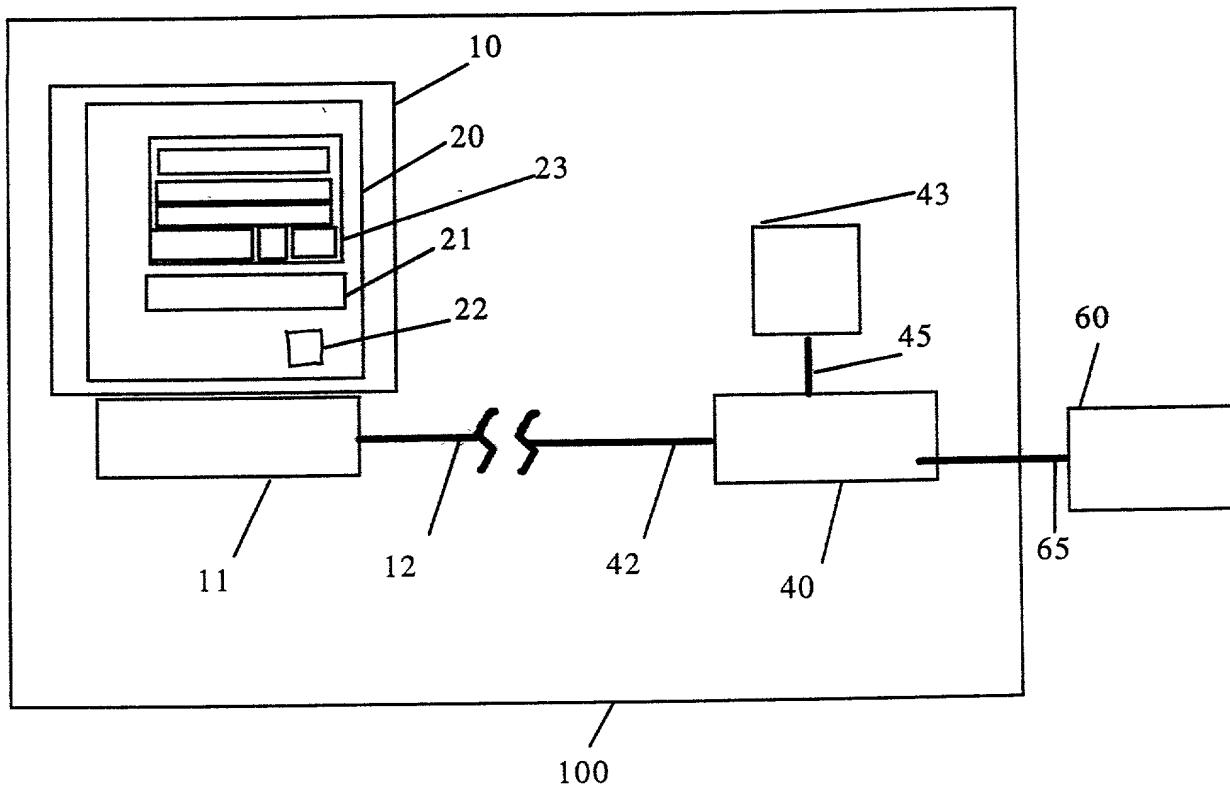


Figure 1
PRIOR ART

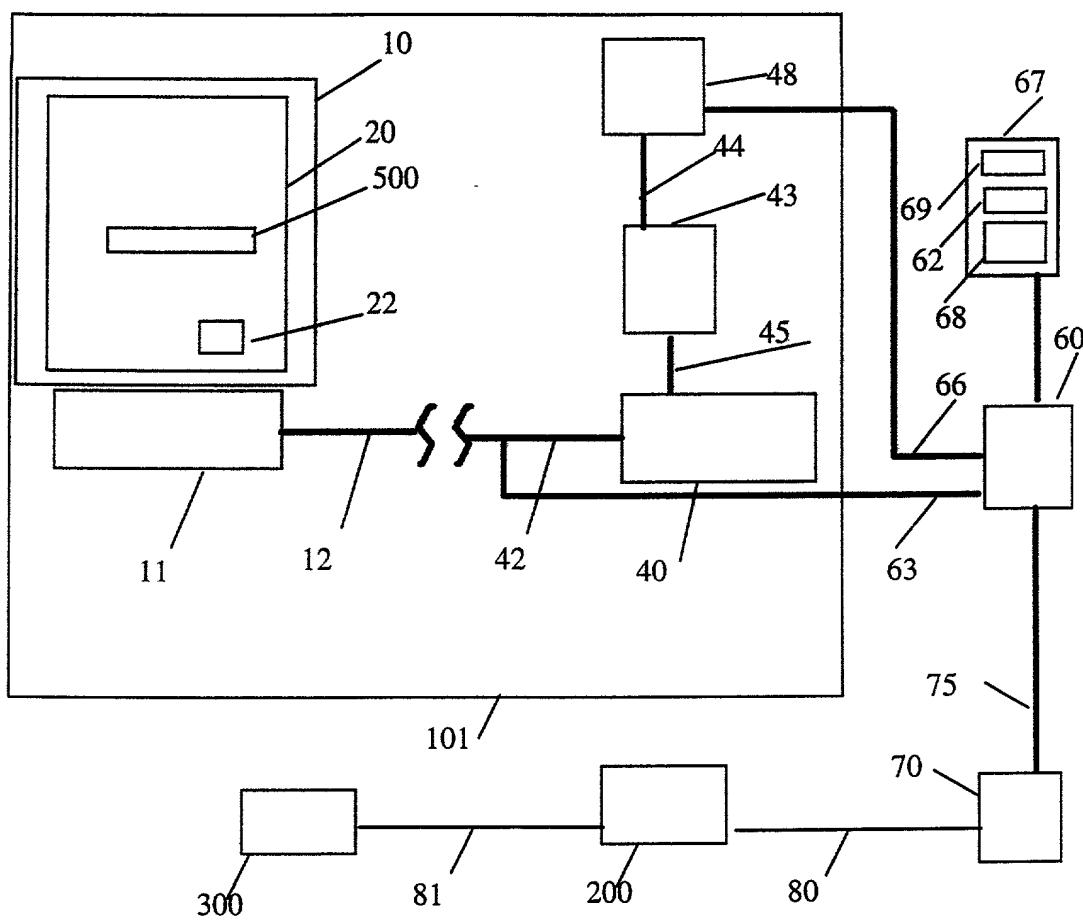


Figure 2

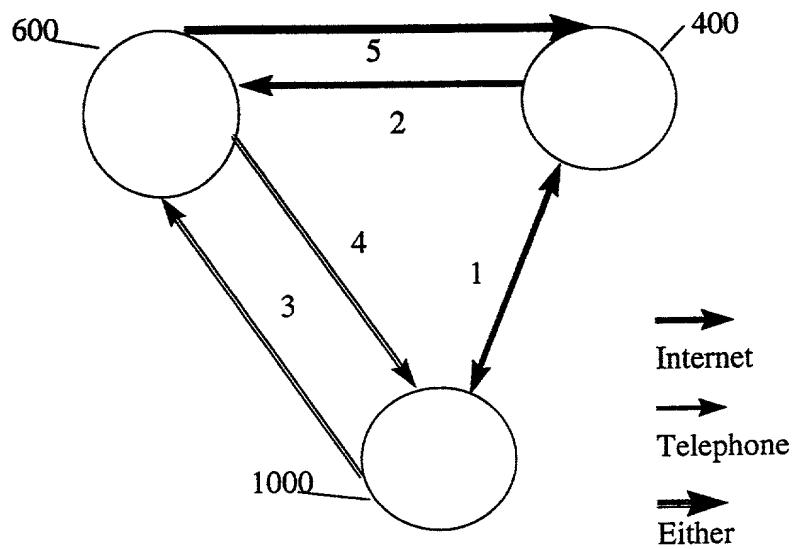


Figure 3

UNITED STATES OF AMERICA
COMBINED DECLARATION AND POWER OF ATTORNEY FOR PATENT APPLICATION

OFGS FILE NO.
P/2832-14

As a below named inventor, I hereby declare that: my residence, post office address and citizenship are as stated below next to my name; that I verily believe that I am the original, first and sole inventor (if only one name is listed below) or a joint inventor (if plural inventors are named) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

SYSTEM AND METHOD FOR PURCHASING GOODS AND SERVICES

the specification of which is attached hereto, unless the following box is checked:

was filed on _____ as United States patent Application Number or PCT International patent application number _____ and was amended on _____ (if any).

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose all information known to be material to patentability in accordance with Title 37, Code of Federal Regulations, §1.56.

I hereby claim priority benefits under Title 35, United States Code §119 of any foreign application(s) for patent or inventor's certificate or United States provisional application(s) listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

Prior Foreign or Provisional Application(s)

COUNTRY	APPLICATION NUMBER	DATE OF FILING (day, month, year)	PRIORITY CLAIMED UNDER 35 U.S.C. 119
			YES ____ NO ____
			YES ____ NO ____
			YES ____ NO ____

I hereby claim the benefit under Title 35, United States Code, §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, §112, I acknowledge the duty to disclose information which is material to patentability as defined in Title 37, Code of Federal Regulations, §1.56 which became available between the filing date of the prior application and the national or PCT international filing date of this application.

UNITED STATES APPLICATION NUMBER	DATE OF FILING (day, month, year)	STATUS (patented, pending, abandoned)
08/700,861	21 August 1996	Pending

I hereby appoint customer no. 2352 OSTROLENK, FABER, GERB & SOFFEN, LLP, and the members of the firm, Samuel H. Weiner - Reg. No. 18,510; Jerome M. Berliner - Reg. No. 18,653; Robert C. Faber - Reg. No. 24,322; Edward A. Meilman - Reg. No. 24,735; Stanley H. Lieberstein - Reg. No. 22,400; Steven I. Weisbord - Reg. No. 27,409; Max Moskowitz - Reg. No. 30,576; Stephen A. Soffen - Reg. No. 31,063; James A. Finder - Reg. No. 30,173; William O. Gray, III - Reg. No. 30,944; Louis C. Dujmich - Reg. No. 30,625 and Douglas A. Miro - Reg. No. 31,643, as attorneys with full power of substitution and revocation to prosecute this application, to transact all business in the Patent & Trademark Office connected therewith and to receive all correspondence.

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I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

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